



**Jon Gardner, CPCU, MBA**  
JSG Insurance Services  
28494 Westinghouse Pl. #215  
Valencia CA 91355  
P: (661) 388-5288  
F: (661) 388-5299  
CA Lic: 0D69889

## **Insurance Policy Review and Recommendations**

**(Sample)**

**(Date)**

### ***Auto Insurance***

- The Liability limits are high enough to qualify for the umbrella. The Uninsured limits are at the same level. While this is good, additional coverage is recommended in both areas. The most effective way to do that is through the umbrella policy. Please see comments in that area.
- There is a considerable amount of premium tied up in the Collision coverage. I assume that paying a higher deductible (while not something people want to do) is within the financial ability for the client to pay after a loss. We recommend raising the Collision deductible to \$1,000 or \$1,500 and use the savings to increase coverage in other areas.
- The annual mileage figures shown on the declaration pages seem low. (Prior Insurance Company Name) used to make clients sign a form that stated if they were off by more than 2,000 annual miles, that could be grounds to deny coverage. I do not know if they still have such a policy. In any case, the annual mileage figures should be validated.
- The policy comes with \$1,000 for additional equipment. This is typically for aftermarket or extra items added on by the client. We recommend verifying that this limit is sufficient.
- (Prior Insurance Company Name) policies do not provide Original Parts coverage and will use aftermarket parts to repair a vehicle. These parts are made for this purpose and meet all specifications. However, some people only want parts from the manufacturer. If that is the case, then we recommend that an OEM parts endorsement be added. This coverage pays for original parts when available. This is not offered by all companies.

We *Evaluate*, *Educate*, and *Explain* to help our clients understand their coverage...*Before* they have a loss.

- While none of the vehicles are new, they likely were new when the client obtained them. Assuming there were loans or leases in place, we recommend that Gap coverage be purchased in the future. This coverage pays the difference in the value of the car at the time of a loss and the amount owed on the lease or loan.

### ***Homeowner Policy for Primary Home***

- Given the features of the home found in the material from the builder, it appears that the home is underinsured at \$1,000,000. Even with the extended replacement cost, we would recommend the client review the factors used to determine the replacement cost. Given the home is 5,289 square feet, we believe a more reasonable estimate would be \$1.5 - \$1.6 million depending on materials and upgrades.
- The home policy also covers the client's valuables. However, there is a limit for theft for many categories of items. These include but are not limited to the following:
  - Jewelry- \$5,000 subject to \$1,000 for any one item. This does not cover if a piece is just lost or a jewel falls off a piece.
  - Cash and Gift Cards- \$200
  - Silverware- \$3,000
  - Rugs- \$10,000 subject to \$5,000 for any one item

Our recommendation is to look at the need for floaters to properly cover these types of items or any other valuable objects.

- We recommend that Med Pay be raised to at least \$5,000. This coverage is used to pay for someone injured at the home without having to prove the client is at fault. This can help deal with a small situation without having to get attorneys involved. Since the home is for sale, we will not make a recommendation to consider earthquake. If the home is kept as a rental, this recommendation should be revisited.
- The policy declarations page does not show any personal injury coverage. This covers libel and slander and we strongly recommend it given everything that happens on social media. With a teenager, the exposure is increased. The cost is minimal.
- I did not see a "Trust Name" listed. Given the client's assets, we recommend a Trust and that the home policy reflect the Trust Ownership.
- The (Prior Insurance Company Name) policy has a \$5,000 limit for damage from soot and smoke from a wildfire. This is the only major carrier that has such a limitation. Given the area of the home, smoke damage is a real possibility. I believe this cannot be changed if the policy remains with (Prior Insurance Company Name).

We *Evaluate*, *Educate*, and *Explain* to help our clients understand their coverage...*Before* they have a loss.

- Since this will be the client's primary residence, we do recommend researching earthquake coverage. The more equity the client has in the home, the stronger our recommendation of this coverage.

### ***Homeowner Policy for Secondary Home***

- Given the features of the home found in the photos for the home listing, it appears that the home is underinsured at \$650,000. Even with the extended replacement cost, we would recommend the client review the factors used to determine the replacement cost.
- The policy shows an endorsement for liability coverage being extended to an additional location. I assume this is for the home listed in Austin TX. The client should transfer this endorsement to the new home policy, so it is not lost once this home is sold. This may also be duplicate coverage if the policy in Texas covering the home has its liability coverage.
- This policy also has the \$5,000 smoke from wildfire limitation mentioned above.
- Since it appears this home is for sale and no one is living in it, there is a vacancy provision that **may** apply. That provision could limit coverage for water losses and vandalism. Most carriers have this limitation, and it would be up to the Claims Dept. to make a decision about whether or not to apply the provision. This is just something for the client to know.
- Since the home is for sale, we will not make a recommendation for earthquake coverage. If the home is kept as a rental, this recommendation should be revisited.

### ***Earthquake Coverage – Primary Home***

- The current earthquake policy is with the California Earthquake Authority. This policy does not offer any coverage for pools and spas. If the client, wants coverage for those items, he may want to consider a different carrier.
- The policy is limited to \$1,500 for Loss of Use Coverage. This reimburses the clients for extra expenses he incurs to move out after an earthquake and live elsewhere while the home is being repaired. \$1,500 is the minimum offered by insurance carriers. We recommend looking at a limit that will allow the client to rent a similar home in the area for at least 12 months. It is important to note that rental costs will likely increase after an earthquake, so that should be taken into consideration as well.

We *Evaluate*, *Educate*, and *Explain* to help our clients understand their coverage...*Before* they have a loss.

- Most earthquake policies do not offer coverage for personal property breakables like crystal glasses and ceramic dishes. The California Earthquake Authority does offer an endorsement to buy this coverage back, so these items are covered.
- The policy is rated with a 15% deductible. The California Earthquake Authority now offers a 10% and a 5% deductible option. While the premiums are higher, the amount of money saved on a claim may be worth considering.

### *Umbrella Coverage*

- The umbrella policy is for \$1,000,000. Given the client's assets and income, that number is too low. Our analysis showed that coverage up to \$10,000,000 could be warranted. We recommend a limit of at least \$5,000,000.
- The umbrella did not include an Uninsured/Underinsured Motorist Coverage. Given the client's skill set and the income associated with it, we recommend higher Uninsured Motorist limits (along with key man and/or disability coverage) to ensure if he were permanently injured in an auto accident, he could maintain his financial situation.
- The umbrella shows rated with 3 cars and 3 drivers (including 1 youthful driver). However, it appears the client's son no longer lives in the home. It appears the umbrella was not updated to reflect this change.

We *Evaluate*, *Educate*, and *Explain* to help our clients understand their coverage...*Before* they have a loss.